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June 29, 2005

Docket No. 050-15-1
Regulatory Analysis and Development, PPD, APHIS
Station 3C71
4700 River Road, Unit 118,
Riverdale, MD 20737-1238

**RE: Docket No. 050-15-1
National Animal Identification System (NAIS)**

The American Association of Meat Processors (AAMP) is pleased to submit the following comments on the National Animal Identification System (NAIS) "Draft Program Standards" and "Strategic Plan 2005-2009."

The Association is an international organization whose members include meat and poultry processors, slaughterers, caterers, home food service companies, wholesalers, retailers, suppliers, and consultants to the meat and poultry industry. There are 33 state, regional, and provincial associations of meat processors that are also affiliated with AAMP. Most of AAMP's members are very small, small, and medium-sized businesses, most of them family-owned and operated.

AAMP supports the efforts to create a National Animal Identification System for the United States. We acknowledge the importance of being able to rapidly identify animals in the case of a disease outbreak. We also agree with the decision to initially make Animal ID voluntary, phasing it into a mandatory system over the period of several years. This approach is beneficial for all persons involved in the implementation of the program. It is crucial to the success of the NAIS that all stakeholders become involved during the voluntary phase, giving them the opportunity to develop familiarity with the procedures involved in carrying out the program.

Effect on Meat Processors

Within the draft of the Strategic Plan, very little was mentioned about the effect of the NAIS on the meat processing industry. On page 8 it states: "advancing animal identification data collection systems at packing plants will be a priority, so animals removed from the population can be recorded as efficiently as possible." The draft document does not contain specific information on the requirements of the small and very small plant sector of the meat industry. Additional information must be provided for meat packing plants in order for them to understand their roles within the NAIS. Without their participation outlined, it is difficult for our members to embrace the idea of this program in its entirety.

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Within the draft Program Standards document on page 18 it states: “abattoirs, or processing plant operators, would submit a record of each animal or group of animals that entered their facility to the National Animal Records Repository or appropriate State/tribe Animal Identification and Tracking System. The processing plant would submit the data within 24 hours of the animals’ slaughter at their facility in accordance with communication standards prescribed in the Technical Supplement.” We recommend that USDA indicate the type of equipment and technology that will be necessary for plants to install in order to comply with recordkeeping regulations.

Record Keeping Nightmare for Small and Very Small Processors

The NAIS draft documents do not include any information as to how meat processors are to develop and implement record keeping systems to trace animal movement in and out of the plant. It is necessary to know more specific details as to how the information is to be recorded and submitted. Small plants have a limited number of personnel available to perform extra record keeping tasks. They also do not have the resources to purchase expensive equipment that may be necessary to record and transfer the data. The data collection equipment must be economically feasible for small and very small plants to put into place. Plant operators need to be properly trained on how to use the technology, and be informed of where to turn if they need assistance or have questions on the requirements.

Financial Burden to the Small and Very Small Meat Processing Industry

Secretary of Agriculture Mike Johanns said that the cost of the program will be subsidized partially by USDA and the states, with \$85 million already spent or earmarked for the first two years of implementation. The exact costs to producers, processors, and retailers will be decided after the comment period expires. Because of the benefit to the public at large, it has been mentioned that much of the funding of the animal identification program should be supported by public funds. Even with public funding, there will be costs to producers. An economic impact analysis must be performed and economically feasible data collection methods must be made available to the small and very small plant sector of the meat industry, which constitutes 95% of the meat plants affected.

AAMP would like to know what the estimated financial burdens will be for our members. It can not be stressed enough, that effective implementation needs to be relatively easy and inexpensive. Small plants do not have a large staff to distribute the additional job duties this program will create, nor do they have the finances. Our members do not have the financial capabilities to install expensive equipment that may be necessary to carry out the NAIS, especially if the technology has negligible financial benefits for the operation. Consideration must be taken for these types of plants, especially since they represent such a large portion of the industry.

The small and very small meat processing industry refuses to absorb the financial burden of the NAIS program. Livestock producers want to pass the costs onto the processing industry, while the processors can only pass minimal costs onto the final consumer. This is especially difficult when viewing the current high cost of U.S. protein sources such as beef, pork, and lamb.

Plant Training and Outreach

AAMP fully agrees with statement from the NAIS Strategic Plan that “ongoing collaboration with market operators, dealers, and service providers will be essential.” Without the feedback from those involved at the ground-level, the program will not be as effective. We hope that input from small and very small operations is obtained regularly, which will ensure their needs are being considered.

Training and outreach should be scheduled in advance of the NAIS program implementation to give plants the opportunity to make the necessary adjustments to their operations. In the past with other programs and food safety initiatives, the training has occurred only a few days prior to implementation, making it incredibly difficult and unfair to expect small plants to make rapid changes and learn new technologies. This has been a frustrating trend we have seen in USDA protocols in regards to other initiatives and we hope to not see it with the NAIS program.

Premise Registration

AAMP understands that all slaughter facilities will have to register for a premise identification number. Any processing plant that does not bring in livestock is not required to get a premise identification number. The wording used within the draft strategic plan and draft program standards needs to be revised due to the fact that abattoirs are identified as “processing plants.”

An abattoir, or slaughterhouse, is a place where animals are harvested, whereas a processing plant is where meat from animals is made into further processed products (e.g., ground beef, sausage, frankfurters, etc.). Processing plants do not have live animals enter their facilities, and therefore do not need to register for a premise number. The difference between the two operations is important to recognize. However, operations that do both harvesting and processing would need to register their facility since live animals are entering. The wording must indicate specific plant requirements when registering for a premise identification number.

Information Protection and Liability

There is no question that all of the stakeholders involved in the NAIS program are concerned about protecting the privacy of their information. Provisions must be made to keep the meat industry and its data proprietary. It is unreasonable to expect stakeholders to participate in the program if proper confidentiality agreements are not established. AAMP would also like to know who will have access to the data and how the data will be used by those who have access to it.

The meat industry is concerned that the information gathered by the NAIS program may be used by individuals other than animal health authorities for reasons not relating to the protection of animal health (i.e., food safety issues and traceability of food products). Small and very small processors do not want to see their participation in the program result in increased liability and financial loss from food safety issues for which they are not responsible. Furthermore, food security in the meat processing industry is on the horizon. If confidential information is exposed,

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this will pose a breach in a plant security plant and it cannot be controlled by the establishment. It is important to guarantee that information gathered is only to be used for tracing animal health and not for other purposes by government or businesses without permission.

AAMP appreciates the chance to comment on the National Animal Identification System (NAIS) "Draft Program Standards" and "Strategic Plan 2005-2009." We strongly believe that the Agency needs to encourage all stakeholders become involved during the voluntary phase of the NAIS program. Additionally, plant outreach and training for small and very small volume meat processing establishments is a very critical portion of the program's full-scale implementation. We are very concerned about what is expected of the small and very small meat industry with the implementation of the NAIS and would like the USDA to be as transparent as possible. We hope USDA will consider the impact of the NAIS program requirements on small and very small processors when developing the final version of the program guidelines.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea H. Warfield". The signature is fluid and cursive, with the first name "Andrea" being the most prominent part.

Andrea H. Warfield
Director of Special Projects

cc: Scott Cunningham, AAMP President